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TAGS: [PGOV](#) [PINR](#) [PREL](#) [ECON](#) [EAID](#) [ENIV](#) [IZ](#) [CH](#)

SUBJECT: PRT BAGHDAD: CHINESE GOVERNMENT ATTEMPTNG TO
ESTABLISH BRANCH OF THE BAGHDAD BUSINESS CENTER IN SHANGHAI

Classified By: Classified by Baghdad PRT leader Joe Gregoire for reason
s 1.4 (B) and (D).

¶1. (C) During a recent meeting with PRT members, Baghdad Business Center (BBC) Chairwoman Tamather Al-Janabi disclosed that the Chinese Ministry of Commerce (CMOC) is interested in opening a branch of the BBC in Shanghai.

¶2. (C) Tamather said the CMOC will identify and fund office space for the BBC and will provide office equipment and initial support. Chinese commercial interests will coordinate factory visits of and business meetings with Iraqi firms interested in establishing ties with China. More than 30 Baghdad-based companies want to establish business ties with Chinese interests through the Shanghai BBC.

¶3. (C) The Shanghai BBC will likely be named the Iraqi Business Alliance and will initially focus and coordinate its activities with the International Merchandizing Center for Shanghai.

¶4. (C) Tamather also said several Chinese commercial enterprises now based in Syria are interested in rehabilitating dormant cement factories in Baghdad Province. The Iraqi Government has been unable to reopen these factories due to the high cost of rehabilitating them.

¶5. (C) Comment. Chinese interest in the Baghdad business sector seems on the rise. With the establishment of a Shanghai branch of the BBC and potential increased cooperation between Iraqi and Chinese business, Baghdad may be at the center of considerable bilateral trade between China and Iraq, albeit possibly only over the long term. China's thirst for oil may explain its present interest in Iraq.

KHALILZAD